

**Statement of**

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**Pilot Shortages:**

**How to Reduce Their Impact on Smaller and Rural Markets**

**Before the  
Committee on Commerce, Science and Transportation  
Subcommittee on Aviation  
United States Senate**

**July 25, 2000**

**Washington, DC**

Mr. Chairman, my name is Linda Barker, and I currently serve as chairperson of the National Air Transportation Association (NATA). NATA represents nearly 2,000 aviation businesses that own, operate and service aircraft. These companies provide for the needs of the traveling public by offering services and products to aircraft operators and others such as fuel sales, aircraft maintenance, aircraft parts sales, airline servicing, aircraft storage, flight training, Part 135 non-scheduled air charter, aircraft rental, and scheduled commuter operations in smaller aircraft. NATA members are the vital link in the aviation industry that provides services to the general public, airlines, general aviation, and the military.

I am also an owner and vice president of Business Aviation Services in Sioux Falls, South Dakota. We employ 145 people and provide a full complement of general and commercial aviation services at the Sioux Falls Regional Airport. Like many of my fellow NATA members, our company is facing an enormous challenge in hiring and retaining qualified pilots for our flight school, as well as our air freight and passenger air charter operation.

As members of the Subcommittee may know, there is a typical career path in the aviation industry for developing and training pilots. While this may not hold true for all, it certainly is the path followed by many pilots. An individual will begin by taking flight lessons and after obtaining a pilot's license build up enough hours to become a Certified Flight Instructor (CFI). After working as a CFI and accumulating flight time, the pilot may then seek a position with a regional airline or begin flying for an on-demand air charter operator. Subsequently, based on the pilot's skill and total hours, a position with the major airlines may then become available to them. Of course, not all pilots want to work for a major airline, but for most this is the ultimate goal. It is this "pilot supply line" that has been and is expected to continue to be at an all time low.

Almost 3,000 businesses are certificated by the FAA as Part 135 on-demand air charter air carriers. The majority of companies in the industry are small businesses providing a vital transportation link for medical services, important cargo needed to promote commerce, and personal travel supporting the growth of the economy. These companies use smaller aircraft to meet the customized needs of the traveling public for greater flexibility in scheduling and access to almost every airport in the country. In passenger service, flights are planned according to the customer's schedule, not the operator's. Likewise, air charter serves a vital role for commerce across the country and the world providing short notice delivery of parts, important documents, supplies and other valuable cargo. On-demand air charter saves lives as air ambulance operators are ready at a moment's notice to fly to an accident scene or remote area to transport those in need to hospitals that can provide necessary care. In addition, on-demand air charter flights transport vital organs for those requiring transplants. All of these services are contingent upon the ability to respond quickly to the needs of customers.

Our members tell us that the historical turnover rates for on-demand air charter operators was about 5 to 10 percent annually. Each company may experience different rates based

on variables such as equipment operated (piston, turbo-prop or jet engine), pay and benefits, and hours of operation. During the last two years, these rates have climbed to 50 percent or higher. One member in particular suffered 70 percent turnover in their pilots last year. Whatever the actual rate, most of our members have reported a doubling in their pilot turnover.

The national statistics are substantiated by what we see in our operation in Sioux Falls. We are continually recruiting, hiring, and training new pilots in all departments. This includes CFIs in our Flight School who traditionally instruct until they have enough hours to move into the freight or charter aircraft. More recently, we see some students that move from CFIs and go directly to the regional airlines. Right now, we are advertising for a new Director of Flight Operations in our Charter operation.

At Business Aviation, we employ 53 pilots: 17 air charter and air ambulance pilots, 25 freight pilots with positions open for two more freight pilots, 9 flight instructors, and 2 aircraft salespeople who are also pilots. Finding pilots for freight operation is our greatest challenge because the flying is generally at night and does not have the same appeal as transporting passengers. Over the last four years, we experienced the following turnover:

- 1996, fifteen of our freight pilots resigned for other positions
- 1997, nineteen freight pilots left our company
- 1998, twenty-four pilots left for other opportunities
- 1999, an additional 15 pilots were replaced

The shortage of pilots has caused our company to constantly advertise and spend a great deal of our resources recruiting pilots. Frankly, we even overstaff if qualified pilots are interested, knowing that only too soon there will be positions available.

I participate in an organization known as The Midwest Air Freight Association. Based on a recent poll of other air cargo companies, every member of that organization is experiencing pilot shortages. One member related that five years ago he would receive 50 responses from advertisements placed in industry publications along with local advertising. Today, they have almost no responses or maybe 2 or 3 for the same type of advertisement. The pilot shortage has caused this company to change its philosophy on growth and to reduce the number of freight routes.

This is echoed across the NATA membership. The uncertainty over whether your pilots employed today will be there tomorrow is stifling many air charter operators from expanding their services to meet the growing demand for air transportation. This disproportionately impacts on the less populated areas of the country that receive little airline service.

The shortage of pilots becomes critical when you consider the need for medical access provided by emergency medical services that may be the only link for smaller communities to medical specialists. The shortage threatens the expansion of medical services to smaller and rural communities. For example, one of our members regularly

flies doctors to areas outside of Denver, Colorado, as the means for smaller communities in Colorado, Kansas and Wyoming to get access to specialty health care.

Commerce and the economic viability of communities are likewise dependent upon access to air transportation. If qualified pilots are not available for air charter operators, this link is severed. Finally, the high value cargo, mail and express package services provided to communities across the country by companies like ours is directly affected by the ability to have pilots able to safely operate our aircraft.

There are no silver bullets to solve this complex issue, and I do sincerely appreciate the leadership shown by the Commerce Committee for drawing attention to this most important national issue. We are just one part of an industry that needs qualified, trained professionals.

While the aviation industry attempts to bring the pilot supply and the demand for their services into balance, external factors such as federal government regulatory initiatives can exacerbate the problem. It is important to ensure that FAA regulatory initiatives do not hamper or impair the industry. One troubling issue that continues to concern the Part 135 on-demand air charter community is the FAA's anticipated revisions to flight crewmember flight and duty limits.

There is a great deal of anxiety that the FAA will attempt to subject Part 135 on-demand air charter operators to a "one-size-fits-all" flight and duty regulation identical to the regulations for the scheduled airlines. This would have devastating effects on the industry. An attempt by the FAA in 1995 to do so would have required a minimum of a 50 percent increase in the number of pilots required to continue operating our businesses. Although safety is the highest concern of aviation businesses, the design of regulations must be tailored to fit the various operating environments to achieve this goal. The Association maintains that Part 135 certificate holders must have versatility to comply with the on-demand nature of unscheduled FAR Part 135 operations. We urge the Subcommittee to encourage the FAA to recognize the uniqueness of the Part 135 on-demand air charter operators in its oversight of the aviation industry.

Another area of FAA activity that could adversely affect the industry is the Agency effort to harmonize flight crew licensing with the European standards. The aviation system and pilot supply line in Europe is not like that in the United States. The FAA should not take any action that would threaten the affordability and efficiency of pilot training and licensing that has been the hallmark of our country. Regulatory changes that impair the ability to train pilots and adversely affect flight schools would then ripple across the entire industry.

Congress should consider whether the current requirement for airline pilots to retire at age 60 is still necessary. As you can imagine, allowing pilots to continue working for an airline past 60 would decrease the demand for new pilots. Likewise, it would provide for these pilots with thousands of hours of accumulated flight time experience to continue serving the traveling public.

One other idea that is important for the FAA to analyze that could affect the availability of pilots is whether certain requirements for pilots contained in Part 135 are appropriate. There is a petition on file with the FAA requesting a decrease in minimum hours of flight time for cargo carrying flights in single-engine aircraft. In order to maintain an equivalent level of safety, this petition also requires increased pilot training by the operator. If the FAA were to move forward in this area with rulemaking, these additional provisions would ensure that a pilot is appropriately trained.

Creative partnerships are important for the industry to respond to the need for additional pilots. We ask that the FAA be encouraged to be receptive to ideas developed that may be unique and do not fit the traditional pattern for training.

As an example, our company has a joint program with our Business Aviation School of Aeronautics and South Dakota State University's College of Education. Under this new program, students can receive a Bachelor of Science degree in Career and Technical Education with a specialization in Aviation Education. The impetus for the program stemmed from a growing public interest in general aviation and a nationwide shortage of certified flight instructors. Graduates will not only be Certificated Flight Instructors, but also Certified Teachers. By focusing on flight instruction as a career goal, this program encourages those with educational aspirations to consider becoming a professional flight instructor. However, like many other educational issues, university programs of this type need funding and scholarship programs to provide both staff and financial aid to students.

As previously stated, the membership of NATA, like my company, is diverse in purpose and operation. However, all operations, from those utilizing CFIs to commercial pilots, are affected by the pilot shortage. Despite industry efforts such as the Be A Pilot program, whose sole mission is to increase student pilot starts, the disparity between supply and demand requires Congressional attention to a growing problem plaguing the air transportation industry. The potential resolutions presented can provide some relief, with proper and timely implementation, to small business operators I represent on behalf of NATA.

Thank you for giving me this opportunity to be with you today. I would be pleased to respond to any questions related to this important issue.